

## Message Text

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ACTION EUR-12

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SUBJECT: SPEECH BY PREMIER GERALD REGAN OF NOVA SCOTIA TO  
SENIOR BUSINESS EXECUTIVES CONFERENCE, MAY 9, 1975

1. FOLLOWING MORNING SESSIONS OF A SENIOR BUSINESS  
EXECUTIVES CONFERENCE SPONSORED BY THE CONFERENCE BOARD  
OF CANADA, PREMIER GERALD REGAN, SPEAKING WITHOUT A  
PREPARED TEXT, PRESENTED THE MAIN LUNCHEON SPEECH TO  
THE GROUP.

2. THE PREMIER CHOSE ONCE AGAIN TO SPEAK ON ENERGY AND IN  
GENERAL HIS SPEECH WAS A SUMMATION OF WHAT HE HAS  
BEEN SAYING PUBLICLY ABOUT ENERGY FOR THE PAST SEVERAL  
MONTHS.

3. THE PREMIER HAMMERED AWAY AT THE THEME THAT NOW, AS  
FOR SOME TIME, HE SEES NO REASON FOR THE PRICE OF  
CANADIAN OIL TO RISE ABOVE ITS PRESENT 6.50 DOLLARS PER  
BARREL LEVEL WHEN THE PRESENT 18 MONTH LIMITATION IS  
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DUE TO EXPIRE. HE NOTED THAT NONE OF THE INCREASE FROM

THE EARLIER PRICE OF 3.80 DOLLARS TO 6.50 DOLLARS HAS BEEN OF BENEFIT TO THE OIL COMPANIES BUT HAS GONE INTO THE COFFERS OF THE FEDERAL AND OIL-PRODUCING PROVINCIAL GOVERNMENTS. HE QUOTED A RECENT SPEECH OF PRESIDENT MC AFEE OF GULF-CANADA IN WHICH THE LATTER SAID THAT THE COMPANIES WERE IN FACT WORSE OFF WITH THE INCREASE THAN BEFORE.

4. IF ANY INCREASE ABOVE THE PRESENT 6.50 DOLLAR RATE IS TO TAKE PLACE, WHICH PREMIER REGAN THINKS IT SHOULD NOT, IT MUST BE GUARANTEED THAT THE OIL COMPANIES WHO ARE WILLING TO CONTINUE RESEARCH FOR NEW OIL IN CANADA RECEIVE A LARGE AMOUNT OF THE INCREASE FOR THAT PURPOSE.

5. THE PREMIER EXPRESSED SATISFACTION THAT AT THE APRIL FIRST MINISTERS CONFERENCE IN OTTAWA, NOVA SCOTIA, WHICH HITHERTO HAD SOUNDED LIKE THE VOICE CRYING IN THE WILDERNESS WITH REGARD TO KEEPING THE PRICE AT 6.50 DOLLARS PER BARREL, FOUND MUCH SUPPORT FROM SEVERAL OTHER PROVINCES, NOTABLY THE OTHER TWO MARITIME PROVINCES, ONTARIO, MANITOBA AND BRITISH COLUMBIA.

6. THE PREMIER EMPHASIZED THAT NOVA SCOTIA, WHICH IS ALMOST TOTALLY DEPENDENT ON ENERGY FROM IMPORTED OIL, PAYS MORE PER CAPITA FOR OIL THAN THE CITIZENS OF ANY OTHER PROVINCE INCLUDING EVEN PRINCE EDWARD ISLAND WHICH IS 100 PERCENT DEPENDENT ON OIL FOR ENERGY SUPPLIES BUT HAS LESS INDUSTRY. THE PREMIER SAID SPECIFIC FIGURES (SEE CONGEN A-34 WHICH TRANSMITS HIS SOURCES FOR THESE FIGURES).

7. THE PREMIER CONCLUDED HIS SPEECH BY DISCUSSING THE ADVISABILITY OF NOVA SCOTIA AND THE MARITIME PROVINCES INVESTIGATING OTHER SOURCES OF ENERGY PRODUCTION TO REDUCE THEIR DEPENDABILITY ON IMPORTED OIL. THE MOST FEASIBLE ALTERNATE SOURCES ARE COAL AND NUCLEAR POWER SINCE NOVA SCOTIA LACKS ANY HYDRO POWER AND THAT OF NEW BRUNSWICK IS GRADUALLY REACHING FULL EXPLOITATION. (THE PREMIER DID NOT MENTION THE MUCH DISCUSSED FUNDY TIDAL POWER PROJECT.) THE PREMIER STRESSED THAT

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OPENING NEW MINES IN NOVA SCOTIA WOULD BE AN EXPENSIVE PROPOSITION AND THAT NUCLEAR POWER TOO IS BY NO MEANS CHEAP.

8. THE PREMIER SAID THAT WHEN THE OIL CRISIS BROKE IN OCTOBER 1973 VOICES IN CENTRAL CANADA CRITICIZED HIM FOR NOT JUMPING ENTHUSIASTICALLY ON THE BAND-WAGON LOOKING FOR ALTERNATE SOURCES FOR OIL. NOW HE SAYS

THINGS LOOK VERY DIFFERENT. THERE IS A WORLD GLUT OF OIL AND YOU DO NOT EVEN HAVE TO GO TO THE SOURCE FOR OIL. IT IS FLOATING ABOUT IN TANKERS IN THE SEVEN SEAS LOOKING FOR A PORT TO UNLOAD. FROM THIS THE PREMIER DRAWS THE CONCLUSION THAT PERHAPS AT SOME POINT NOT TOO FAR OFF THE COHESION OF THE OPEC COUNTRIES IN MAINTAINING THE 10.50 DOLLARS PRICE PER BARREL WILL COME TO AN END AND THAT OIL PRICES MAY UNDERGO SUBSTANTIAL DIPS. IN ADDITION, CANADA WILL PERHAPS FIND MORE OF ITS OWN OIL AND THE NORTH SEA OIL WILL BECOME AVAILABLE.

9. INCREASED WESTERN SUPPLIES OF OIL COMBINED WITH A POSSIBLE LOWERING OF OPEC PRICES CAUSES THE PREMIER TO SPECULATE ON THE ADVISABILITY OF RUSHING HEADLONG INTO LARGE OUTLAYS FOR EXPENSIVE ALTERNATE ENERGY SOURCES. HE FINDS THAT THERE SHOULD PROBABLY BE SOME INCREASED COAL MINING BUT NOT TO THE EXTENT THAT THE OVERALL INVESTMENT MIGHT REQUIRE THE PROVINCE TO CONTINUE USING EXPENSIVE COAL IF LESS EXPENSIVE OIL SHOULD AGAIN BECOME AVAILABLE.

10. THE SPEECH APPEARED TO BE WELL RECEIVED BY THE SELECT GROUP OF BUSINESSMEN AND BANKERS WHO COMPRISED HIS AUDIENCE. NEEDLESS TO SAY THEY WERE MARITIMERS. MANBEY

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